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January 15, 2002

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By E-Mail to FR0001@ustr.gov

Ms. Gloria Blue
Executive Secretary, TPSC
Office of the U.S. Trade Representative
600 Seventeenth Street, N.W.
Washington, DC 20508

Re: *Comments of Mitsubishi International Steel Inc. on Potential Action Under Section 203 of the Trade Act of 1974 With Regard to Imports of Certain Steel – Additional Information Regarding Request to Exclude Cold-Rolled Enameling Steel With Niobium (X-042) from Import Restrictions*

Dear Ms. Blue:

On behalf of Mitsubishi International Steel Inc. ("Mitsubishi"), and pursuant to the Trade Policy Staff Committee's (TPSC's) October 26, 2001 notice concerning comments on possible Presidential remedy actions, we are submitting additional information on the request for the exclusion of cold-rolled enameling steel with niobium (X-042). *See Trade Policy Staff Committee; Public Comments on Potential Action Under Section 203 of the Trade Act of 1974 With Regard to Imports of Certain Steel*, 66 Fed. Reg. 54,321, 54,322-23 (Oct. 26, 2001). This information, as set forth below, provides additional product specifications, notes additional end-user support, and references a recent non-objection filing on behalf of certain U.S. domestic producers.

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A. Additional Product Specifications

After further discussions with U.S. end users and the Department of Commerce, we wish to submit additional specifications on our cold-rolled enameling steel with niobium product. These additional specifications are included in Attachment 1 to this letter.

As we have discussed with Mr. Richard Weible of the Department of Commerce, the revised technical information should provide the TPSC with sufficient specific information on this product to demonstrate the absence of any U.S.-produced substitute product.

B. Support from Crane Plumbing

We want to call attention to an additional letter in support of the exclusion of this product filed on January 11, 2002 by Crane Plumbing. A copy of that letter appears at Attachment 2.

As evidenced by the letter, Crane Plumbing is a major U.S. producer of plumbing fixtures and has great interest in the cold rolled enameling steel with niobium product. As stated in the letter, "Crane Plumbing needs access to this type of deep drawing cold-rolled enameling steel to avoid seriously disrupting its operations and adversely impacting the livelihood of its employees." Clearly it is in the national interest to exclude this product otherwise unavailable in the United States in order to protect the future of Crane Plumbing and other businesses that need access to this useful and unique product.

C. Non-Objection to Exclusion

On January 11, 2002, the Association of Cold Rolled Strip Steel Producers filed a letter with Mr. Richard Weible at the Commerce Department listing 34 products the exclusion of which is not opposed by the Association. Included on that list (#8) is Cold-Rolled Enameling

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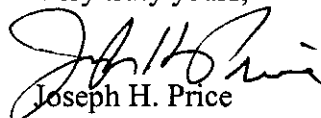
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Steel With Niobium (X-042). This lack of objection by significant U.S. domestic producers of cold-rolled steel products provides additional strong support for the exclusion being sought by Mitsubishi.

* * *

If you have any questions or need additional information, please contact any one of the undersigned. Thank you for your assistance in the filing of this submission.

Very truly yours,



Joseph H. Price
Donald Harrison
Andrea Fekkes Dynes
Gregory C. Gerdes

Attachment

cc: Mr. Andrew Stephens
Director of Steel Trade Policy, USTR (by fax)
Alan Wm. Wolff/Kevin M. Dempsey/Jennifer Riccardi
Dewey Ballantine LLP
Robert E. Lighthizer/John J. Mangan/James C. Hecht/Ellen J. Schneider
Skadden, Arps, Slate, Meagher & Flom LLP
Roger B. Schagrín
Schagrín Associates
Mr. Mark Flessner
ITA, Dept. of Commerce (by e-mail)

ATTACHMENT 1

Cold Rolled Enameling Steel with Niobium

Technical Description

Thickness: 0.040 - 0.060 inches

Chemical composition

C(max weight 0.001%)

O(0.020%-0.040%)

Nb(0.030-0.050%)

Physical and Mechanical Properties

Max.Yield Point(MPa) 170

Max.Tensile Strength(MPa) 320

Min.Elongation %

48(if 0.040-0.050 thickness range)

49(if 0.051-0.060 thickness range)

Min.Rankford value 1.8

Max. Delta Rankford value 0.2

(Supplemental information)

r (Rankford) value:

This is an index of deep-drawability, representing the ratio of sheet width deformation to sheet thickness deformation. The greater the r value, the lower the material flow-in resistance during press-forming, indicating better formability.

Delta Rankford value:

This is an anisotropic (longitudinal-direction) index of r value, representing the value of $\{(r_L+r_C)/2\}-r_{45^\circ}$.(degree) The smaller the value, the better the earing property. Compared to titanium (Ti)-added steel, Delta-r of niobium (Nb) is improved by more than 50%. The earing property improvement is the only effect of Nb addition.

ATTACHMENT 2



[In support of exclusion
request no. X-042]

CR/PL, L.L.C.

January 8, 2002

Ms. Gloria Blue
Executive Secretary, TPSC
Office of the U.S. Trade Representative
602 Seventeenth Street, N.W.
Washington, D.C. 20508

Re: **Exclusion Request Concerning Potential Action Under Section 203 of the
Trade Act of 1974 With Regard to Imports of Certain Steel from Japan**

Dear Ms. Blue:

This letter is filed by Crane Plumbing to request that the Trade Policy Staff Committee ("TPSC") recommend excluding cold-rolled enameling steel with niobium ("Niobium Cold-Rolled Enameling Steel") from the scope of any action that the President may take under Section 203 of the Trade Act of 1974. We understand that the action the President might take could last up to five years and that there may be no procedure to request exclusions once the President acts early this year. Accordingly, Crane Plumbing is concerned with obtaining an exclusion for Niobium Cold-Rolled Enameling Steel due to the practical domestic unavailability of this product.

1. The Product: Niobium Cold-Rolled Enameling Steel

The product for which Crane Plumbing seeks an exclusion is a certain type of specialty steel referred to as Niobium Cold-Rolled Enameling Steel. An exclusion request concerning this product has already been submitted to the TPSC by Mitsubishi International Steel, Inc. ("MISI"). Specifically, we understand that MISI submitted an exclusion request to the TPSC on November 13, 2001. (The steel product at issue is described in detail in MISI's submission identified as X-

042 on the website of the Office of the United States Trade Representative.) The technical definition for this product is as follows:

Certain cold-rolled steel sheet, whether coated or not coated with porcelain enameling prior to importation, meeting the following characteristics:

(1) Thickness:	0.040" to 0.060" minimum
(2) Width:	58 to 70 inches
(3) Chemical Composition:	C (Max. weight 0.002%), O (Min. weight 0.018%), Nb (Min. weight 0.025%)

This letter is intended to emphasize the need to exclude the Niobium Cold-Rolled Enameling Steel product from the scope of any remedy issued as a result of this Section 203 proceeding.

Below we provide an overview of Crane Plumbing, including our United States manufacturing operations, number of employees, significance of our company to the United States marketplace and economy, steel product requirements, and the possible harm to our company if Niobium Cold-Rolled Enameling Steel is not excluded from any action taken by the President.

2. Crane Plumbing's United States Operations

Crane Plumbing is one of the largest manufacturers and distributors of plumbing fixtures and specialty plumbing products in North America. It has been in existence for more than 16 years. It has over 20 manufacturing plants throughout the United States and employs more than 3000 persons. Our products are sold through over 2500 independent plumbing wholesale outlets and over 1000 retail/home center stores.

3. Crane Plumbing's Steel Input Requirements and Purchasing Experiences

In manufacturing our bathtub, lavatory and sink products, Crane Plumbing requires a type of cold-rolled enameling steel with deep-drawing capabilities. Generally speaking, cold-rolled enameling steel is a specialty cold-rolled steel product that can be enameled (*i.e.*, covered with a porcelain coating), and can be used to manufacture both plumbing fixtures (*e.g.*, bathtubs, lavatories, and sinks) and appliance fixtures (*e.g.*, stove tops, washer and dryer frames, and oven cavities). However, only certain types of cold-rolled enameling steel can be used to manufacture plumbing fixtures as opposed to appliance fixtures. Specifically, a "deep-drawing" quality steel (*e.g.*, interstitial-free (IF) enameling steel) that also has excellent enameling qualities is required to manufacture sanitary bath ware such as bathtubs and sinks. Standard enameling steel (*i.e.*, enameling steel without special deep-drawing capabilities) is not suitable for Crane Plumbing's bathtub and sink manufacturing, but rather can be used to manufacture most appliance fixtures, such as stovetops, due to their flatter shape.

To the best of our knowledge, no domestic steel manufacturer produces the Niobium Cold-Rolled Enameling Steel at issue. Thus, this particular specialty steel product is not domestically available. Moreover, Crane Plumbing has unsuccessfully attempted to find a domestic steel producer to supply an acceptable substitutable cold-rolled enameling steel product in a consistent manner to its Dallas facility. Specifically, in the past we contacted all of the U.S. domestic suppliers known to Crane Plumbing to make some type of cold-rolled enameling steel, specifically, AK Steel, LTV, and US Steel. Among these U.S. producers Crane Plumbing understands that only AK Steel and LTV produce an "Interstitial-Free" (IF) enameling steel that can be used in deep-drawing processes. In the past both of these mills supplied certain amounts of deep-drawing enameling steel product to Crane Plumbing for our bathtub applications. However, for several reasons, it became commercially impractical for Crane Plumbing to rely on

supplies from these U.S. suppliers. First, at times these companies lost interest in supplying the deep-drawing material to us, particularly when the automotive business was strong. Second, we experienced difficulties obtaining enameling steel that consistently met our strict quality requirements. Third, since LTV and AK Steel are located in the Midwest the freight costs to send the enameling steel material to our Dallas facility were high (and no major integrated steel mills manufacturing cold-rolled steel products are located in the Dallas region).

As a result of the domestic unavailability of Niobium Cold-Rolled Enameling Steel, and practical unavailability of a substitutable enameling steel product from domestic sources, Crane Plumbing has sourced its specialty enameling steel products from offshore suppliers.

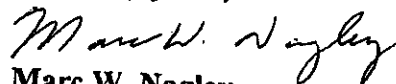
4. **Potential Harm to Crane Plumbing if it is Unable to Obtain Cold-Rolled Enameling Steel with Niobium from Japanese or Other Suppliers.**

Crane Plumbing is extremely concerned about its ability to continue in the bath ware business if we are unable to import cold-rolled enameling steel with the deep-drawing characteristics, particularly the Niobium Cold-Rolled Enameling Steel product at issue in this request, that we require to manufacture our bathtubs, lavatories and sinks. For example, if restrictions on imports of this product are imposed, we may not be able to obtain deep drawing enameling steel suitable for our manufacturing operations. Even if the domestic mills agreed to make and supply the products we require on a reliable basis, it usually takes six months to one year to certify a manufacturer as a large-scale supplier. Additionally, our production costs could increase so significantly that our products could become uncompetitive—a possibility that would seriously damage our business.

For these reasons it is essential that any Section 201 import restrictions imposed by the President exclude Niobium Cold-Rolled Enameling Steel. Crane Plumbing needs access to this type of deep drawing cold-rolled enameling steel to avoid seriously disrupting its operations and

adversely impacting the livelihood of its employees. Accordingly, Crane Plumbing requests that this specialty deep-drawing Niobium Cold-Rolled Enameling Steel product be excluded from any remedy recommended in this investigation.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Marc W. Nagley".

Marc W. Nagley
General Manager

Crane.doc